



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4905

by Rep. Mark H. Beaubien, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Pension Impact Note Act. Requires that a pension impact note for legislation affecting downstate police and downstate firefighter pension funds must demonstrate the fiscal impact of the legislation on at least 25 municipalities with the pension funds. Amends the Illinois Pension Code. Makes changes concerning prohibited transactions by fiduciaries of a pension fund established under the Downstate Police or Downstate Firefighter Article (Article 3 or 4), examinations of pension funds, and witnesses and adds provisions concerning consulting services, prohibitions on gifts for members of a board of trustees of a pension fund established under Article 3 or 4, fraudulent claims for disability pensions by police officers and firefighters, award of benefits, publication of a notice regarding the fiscal status of a pension fund established under Article 3 or 4, and a report by the Commission on Government Forecasting and Accountability on pension funds established under Article 3 or 4. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 19184 AMC 45426 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Pension Impact Note Act is amended by
5 changing Section 3 as follows:

6 (25 ILCS 55/3) (from Ch. 63, par. 42.43)

7 Sec. 3. Content of pension impact note.

8 (a) The pension impact note shall be factual in nature, as
9 brief and concise as may be (except as otherwise provided in
10 subsection (b)), and shall provide a reliable estimate of the
11 impact of the bill on any public pension systems to be effected
12 by it, in dollars where appropriate, and, in addition, it shall
13 include both the immediate effect and, if determinable or
14 reasonably foreseeable, the long range effect of the measure.
15 If, after careful investigation, it is determined that no
16 dollar estimate is possible, the note shall contain a statement
17 to that effect, setting forth the reasons why no dollar
18 estimate can be given. A brief summary or work sheet of
19 computations used in arriving at pension impact note figures
20 shall be included.

21 (b) The pension impact note for any legislation or
22 amendment that would result in an increase in benefits, a
23 modification of how benefits are disbursed, or increase costs

1 to a pension fund established under Article 3 or 4 of the
2 Illinois Pension Code must demonstrate the fiscal impact of the
3 legislation being considered on at least 25 municipalities with
4 such pension funds. Every 2 years, beginning with the year in
5 which this amendatory Act of the 95th General Assembly takes
6 effect, a statewide association representing municipalities
7 shall submit a list of 25 municipal funds to the Commission on
8 Government Forecasting and Accountability to be used for the
9 fulfillment of the requirements of this Section.

10 (Source: P.A. 79-1397.)

11 Section 10. The Illinois Pension Code is amended by
12 changing Sections 1-110, 1-113.5, 1A-104, 1A-112, 1-113.5,
13 3-115, 3-136, 4-112, and 4-123.1 and by adding Sections 1-125,
14 3-141.1, 3-143.1, 3-146, 3-151, 4-130.1, 4-134.1, 4-136,
15 22-1004 as follows:

16 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

17 Sec. 1-110. Prohibited Transactions.

18 (a) A fiduciary with respect to a retirement system or
19 pension fund shall not cause the retirement system or pension
20 fund to engage in a transaction if he or she knows or should
21 know that such transaction constitutes a direct or indirect:

22 (1) Sale or exchange, or leasing of any property from
23 the retirement system or pension fund to a party in
24 interest for less than adequate consideration, or from a

1 party in interest to a retirement system or pension fund
2 for more than adequate consideration.

3 (2) Lending of money or other extension of credit from
4 the retirement system or pension fund to a party in
5 interest without the receipt of adequate security and a
6 reasonable rate of interest, or from a party in interest to
7 a retirement system or pension fund with the provision of
8 excessive security or an unreasonably high rate of
9 interest.

10 (3) Furnishing of goods, services or facilities from
11 the retirement system or pension fund to a party in
12 interest for less than adequate consideration, or from a
13 party in interest to a retirement system or pension fund
14 for more than adequate consideration.

15 (4) Transfer to, or use by or for the benefit of, a
16 party in interest of any assets of a retirement system or
17 pension fund for less than adequate consideration.

18 (b) A fiduciary with respect to a retirement system or
19 pension fund established under this Code shall not:

20 (1) Deal with the assets of the retirement system or
21 pension fund in his own interest or for his own account;

22 (2) In his individual or any other capacity act in any
23 transaction involving the retirement system or pension
24 fund on behalf of a party whose interests are adverse to
25 the interests of the retirement system or pension fund or
26 the interests of its participants or beneficiaries; or

1 (3) Receive any consideration for his own personal
2 account from any party dealing with the retirement system
3 or pension fund in connection with a transaction involving
4 the assets of the retirement system or pension fund.

5 (c) Nothing in this Section shall be construed to prohibit
6 any trustee from:

7 (1) Receiving any benefit to which he may be entitled
8 as a participant or beneficiary in the retirement system or
9 pension fund.

10 (2) Receiving any reimbursement of expenses properly
11 and actually incurred in the performance of his duties with
12 the retirement system or pension fund.

13 (3) Serving as a trustee in addition to being an
14 officer, employee, agent or other representative of a party
15 in interest.

16 (d) A fiduciary of a pension fund established under Article
17 3 or 4 shall not knowingly cause or advise the pension fund to
18 engage in an investment transaction when the fiduciary (i) has
19 any direct interest in the income, gains, or profits of the
20 investment advisor through which the investment transaction is
21 made or (ii) has a business relationship with that investment
22 advisor that would result in a pecuniary benefit to the
23 fiduciary as a result of the investment transaction.

24 Violation of this subsection (d) is a Class 4 felony.

25 (Source: P.A. 88-535.)

1 (40 ILCS 5/1-113.5)

2 Sec. 1-113.5. Investment advisers and investment services.

3 (a) The board of trustees of a pension fund may appoint
4 investment advisers as defined in Section 1-101.4. The board of
5 any pension fund investing in common or preferred stock under
6 Section 1-113.4 shall appoint an investment adviser before
7 making such investments.

8 The investment adviser shall be a fiduciary, as defined in
9 Section 1-101.2, with respect to the pension fund and shall be
10 one of the following:

11 (1) an investment adviser registered under the federal
12 Investment Advisers Act of 1940 and the Illinois Securities
13 Law of 1953;

14 (2) a bank or trust company authorized to conduct a
15 trust business in Illinois;

16 (3) a life insurance company authorized to transact
17 business in Illinois; or

18 (4) an investment company as defined and registered
19 under the federal Investment Company Act of 1940 and
20 registered under the Illinois Securities Law of 1953.

21 (a-5) Notwithstanding any other provision of law, a person
22 or entity that provides consulting services (referred to as a
23 "consultant" in this Section) to a pension fund with respect to
24 the selection of fiduciaries may not be awarded a contract to
25 provide those consulting services that is more than 5 years in
26 duration. No contract to provide such consulting services may

1 be renewed or extended. At the end of the term of a contract,
2 however, the contractor is eligible to compete for a new
3 contract. No person shall attempt to avoid or contravene the
4 restrictions of this subsection by any means. All offers from
5 responsive offerors shall be accompanied by disclosure of the
6 names and addresses of the following:

7 (1) The offeror.

8 (2) Any entity that is a parent of, or owns a
9 controlling interest in, the offeror.

10 (3) Any entity that is a subsidiary of, or in which a
11 controlling interest is owned by, the offeror.

12 Beginning on July 1, 2008, a person, other than a trustee
13 or an employee of a pension fund or retirement system, may not
14 act as a consultant under this Section unless that person is at
15 least one of the following: (i) registered as an investment
16 adviser under the federal Investment Advisers Act of 1940 (15
17 U.S.C. 80b-1, et seq.); (ii) registered as an investment
18 adviser under the Illinois Securities Law of 1953; (iii) a
19 bank, as defined in the Investment Advisers Act of 1940; or
20 (iv) an insurance company authorized to transact business in
21 this State.

22 (b) All investment advice and services provided by an
23 investment adviser or a consultant appointed under this Section
24 shall be rendered pursuant to a written contract between the
25 investment adviser and the board, and in accordance with the
26 board's investment policy.

1 The contract shall include all of the following:

2 (1) acknowledgement in writing by the investment
3 adviser that he or she is a fiduciary with respect to the
4 pension fund;

5 (2) the board's investment policy;

6 (3) full disclosure of direct and indirect fees,
7 commissions, penalties, and any other compensation that
8 may be received by the investment adviser, including
9 reimbursement for expenses; and

10 (4) a requirement that the investment adviser submit
11 periodic written reports, on at least a quarterly basis,
12 for the board's review at its regularly scheduled meetings.
13 All returns on investment shall be reported as net returns
14 after payment of all fees, commissions, and any other
15 compensation.

16 (b-5) Each contract described in subsection (b) shall also
17 include (i) full disclosure of direct and indirect fees,
18 commissions, penalties, and other compensation, including
19 reimbursement for expenses, that may be paid by or on behalf of
20 the investment adviser or consultant in connection with the
21 provision of services to the pension fund and (ii) a
22 requirement that the investment adviser or consultant update
23 the disclosure promptly after a modification of those payments
24 or an additional payment.

25 Within 30 days after the effective date of this amendatory
26 Act of the 95th General Assembly, each investment adviser and

1 consultant providing services on the effective date or subject
2 to an existing contract for the provision of services must
3 disclose to the board of trustees all direct and indirect fees,
4 commissions, penalties, and other compensation paid by or on
5 behalf of the investment adviser or consultant in connection
6 with the provision of those services and shall update that
7 disclosure promptly after a modification of those payments or
8 an additional payment.

9 A person required to make a disclosure under subsection (d)
10 is also required to disclose direct and indirect fees,
11 commissions, penalties, or other compensation that shall or may
12 be paid by or on behalf of the person in connection with the
13 rendering of those services. The person shall update the
14 disclosure promptly after a modification of those payments or
15 an additional payment.

16 The disclosures required by this subsection shall be in
17 writing and shall include the date and amount of each payment
18 and the name and address of each recipient of a payment.

19 (c) Within 30 days after appointing an investment adviser
20 or consultant, the board shall submit a copy of the contract to
21 the Division Department of Insurance of the Department of
22 Financial and Professional Regulation.

23 (d) Investment services provided by a person other than an
24 investment adviser appointed under this Section, including but
25 not limited to services provided by the kinds of persons listed
26 in items (1) through (4) of subsection (a), shall be rendered

1 only after full written disclosure of direct and indirect fees,
2 commissions, penalties, and any other compensation that shall
3 or may be received by the person rendering those services.

4 (e) The board of trustees of each pension fund shall retain
5 records of investment transactions in accordance with the rules
6 of the Department of Financial and Professional Regulation
7 Insurance.

8 (Source: P.A. 90-507, eff. 8-22-97.)

9 (40 ILCS 5/1-125 new)

10 Sec. 1-125. Prohibition on gifts.

11 (a) For the purposes of this Section:

12 (1) "Board" means (i) the board of trustees of a
13 pension fund created under Article 3 or 4 of this Code.

14 (2) "Gift" means a gift as defined in Section 1-5 of
15 the State Officials and Employees Ethics Act.

16 (3) "Prohibited source" is a person or entity who:

17 (i) is seeking official action (A) by the board or
18 (B) by a board member;

19 (ii) does business or seeks to do business (A) with
20 the board or (B) with a board member;

21 (iii) has interests that may be substantially
22 affected by the performance or non-performance of the
23 official duties of the board member; or

24 (iv) is registered or required to be registered
25 with the Secretary of State under the Lobbyist

1 Registration Act, except that an entity not otherwise a
2 prohibited source does not become a prohibited source
3 merely because a registered lobbyist is one of its
4 members or serves on its board of directors.

5 (b) No board member shall solicit or accept any gift from a
6 prohibited source or from an officer, agent, or employee of a
7 prohibited source. No prohibited source or officer, agent, or
8 employee of a prohibited source shall offer to a board member
9 or employee any gift.

10 (c) Violation of this Section is a Class A misdemeanor.

11 (40 ILCS 5/1A-104)

12 Sec. 1A-104. Examinations and investigations.

13 (a) The Division shall make periodic examinations and
14 investigations of all pension funds established under this Code
15 and maintained for the benefit of employees and officers of
16 governmental units in the State of Illinois. However, in lieu
17 of making an examination and investigation, the Division may
18 accept and rely upon a report of audit or examination of any
19 pension fund made by an independent certified public accountant
20 pursuant to the provisions of the Article of this Code
21 governing the pension fund. The acceptance of the report of
22 audit or examination does not bar the Division from making a
23 further audit, examination, and investigation if deemed
24 necessary by the Division.

25 The Department may implement a flexible system of

1 examinations under which it directs resources as it deems
2 necessary or appropriate. In consultation with the pension fund
3 being examined, the Division may retain attorneys, independent
4 actuaries, independent certified public accountants, and other
5 professionals and specialists as examiners, the cost of which
6 (except in the case of pension funds established under Article
7 3 or 4) shall be borne by the pension fund that is the subject
8 of the examination.

9 (b) The Division shall examine or investigate each pension
10 fund established under Article 3 or Article 4 of this Code. The
11 schedule of each examination shall be such that each fund shall
12 be examined once every 3 years.

13 Each examination shall include the following:

14 (1) an audit of financial transactions, investment
15 policies, and procedures;

16 (2) an examination of books, records, documents,
17 files, and other pertinent memoranda relating to
18 financial, statistical, and administrative operations;

19 (3) a review of policies and procedures maintained for
20 the administration and operation of the pension fund;

21 (4) a determination of whether or not full effect is
22 being given to the statutory provisions governing the
23 operation of the pension fund;

24 (5) a determination of whether or not the
25 administrative policies in force are in accord with the
26 purposes of the statutory provisions and effectively

1 protect and preserve the rights and equities of the
2 participants; ~~and~~

3 (6) a determination of whether or not proper financial
4 and statistical records have been established and adequate
5 documentary evidence is recorded and maintained in support
6 of the several types of annuity and benefit payments being
7 made; and-

8 (7) a determination of whether or not the calculations
9 made by the fund for the payment of all annuities and
10 benefits are accurate.

11 In addition, the Division may conduct investigations,
12 which shall be identified as such and which may include one or
13 more of the items listed in this subsection.

14 A copy of the report of examination or investigation as
15 prepared by the Division shall be submitted to the secretary of
16 the board of trustees of the pension fund examined or
17 investigated and to the chief executive officer of the
18 municipality. The Director, upon request, shall grant a hearing
19 to the officers or trustees of the pension fund or their duly
20 appointed representatives, upon any facts contained in the
21 report of examination. The hearing shall be conducted before
22 filing the report or making public any information contained in
23 the report. The Director may withhold the report from public
24 inspection for up to 60 days following the hearing.

25 (Source: P.A. 90-507, eff. 8-22-97.)

1 (40 ILCS 5/1A-112)

2 Sec. 1A-112. Fees.

3 (a) Every pension fund that is required to file an annual
4 statement under Section 1A-109 shall pay to the Department an
5 annual compliance fee. In the case of a pension fund under
6 Article 3 or 4 of this Code, the annual compliance fee shall be
7 0.02% (2 basis points) of the total assets of the pension fund,
8 as reported in the most current annual statement of the fund,
9 but not more than \$8,000. In the case of all other pension
10 funds and retirement systems, the annual compliance fee shall
11 be \$8,000.

12 (b) The annual compliance fee shall be due on June 30 for
13 the following State fiscal year, except that the fee payable in
14 1997 for fiscal year 1998 shall be due no earlier than 30 days
15 following the effective date of this amendatory Act of 1997.

16 (c) Any information obtained by the Division that is
17 available to the public under the Freedom of Information Act
18 and is either compiled in published form or maintained on a
19 computer processible medium shall be furnished upon the written
20 request of any applicant and the payment of a reasonable
21 information services fee established by the Director,
22 sufficient to cover the total cost to the Division of
23 compiling, processing, maintaining, and generating the
24 information. The information may be furnished by means of
25 published copy or on a computer processed or computer
26 processible medium.

1 No fee may be charged to any person for information that
2 the Division is required by law to furnish to that person.

3 (d) Except as otherwise provided in this Section, all fees
4 and penalties collected by the Department under this Code shall
5 be deposited into the Public Pension Regulation Fund.

6 (e) Fees collected under subsection (c) of this Section and
7 money collected under Section 1A-107 shall be deposited into
8 the Department's Statistical Services Revolving Fund and
9 credited to the account of the Public Pension Division. This
10 income shall be used exclusively for the purposes set forth in
11 Section 1A-107. Notwithstanding the provisions of Section
12 408.2 of the Illinois Insurance Code, no surplus funds
13 remaining in this account shall be deposited in the Insurance
14 Financial Regulation Fund. All money in this account that the
15 Director certifies is not needed for the purposes set forth in
16 Section 1A-107 of this Code shall be transferred to the Public
17 Pension Regulation Fund.

18 (f) Nothing in this Code prohibits the General Assembly
19 from appropriating funds from the General Revenue Fund to the
20 Department for the purpose of administering or enforcing this
21 Code.

22 (g) No transfers may be made from the Public Pension
23 Regulation Fund that would reduce the available resources in
24 the Fund.

25 (Source: P.A. 93-32, eff. 7-1-03.)

1 (40 ILCS 5/3-115) (from Ch. 108 1/2, par. 3-115)

2 Sec. 3-115. Certificate of disability.

3 (a) A disability pension shall not be paid unless there is
4 filed with the board certificates of the police officer's
5 disability, subscribed and sworn to by the police officer if
6 not under legal disability, or by a representative if the
7 officer is under legal disability, and by the police surgeon
8 (if there be one) and 3 practicing physicians selected by the
9 board. The board may require other evidence of disability.
10 Medical examination of a police officer retired for disability
11 shall be made at least once each year prior to attainment of
12 age 50, as verification of the continuance of disability for
13 service as a police officer. No examination shall be required
14 after age 50.

15 (b) It is unlawful for any police officer to do any of the
16 following:

17 (1) Intentionally present or cause to be presented any
18 false or fraudulent claim for disability pension.

19 (2) Intentionally make or cause to be made any false or
20 fraudulent material statement or material representation
21 for the purpose of obtaining a disability pension.

22 (3) Intentionally make or cause to be made any false or
23 fraudulent material statement in the course of an
24 investigation of fraud.

25 (4) Intentionally assist, abet, solicit, or conspire
26 with any person or other entity to commit any of the acts

1 set forth in this Section.

2 For the purposes of paragraphs (2), (3), and (4) of this
3 subsection (b), the term "statement" includes any writing,
4 notice, proof of injury, bill for services, hospital or doctor
5 records and reports, X-ray, or test results.

6 Any police officer violating this subsection (b) is guilty
7 of a Class 4 felony. Any police officer convicted of any
8 violation of this Section shall be ordered to pay complete
9 restitution to any entity so defrauded in addition to any fine
10 or sentence imposed as a result of the conviction.

11 Any person convicted of fraud related to a disability
12 pension pursuant to this subsection (b) shall be subject to the
13 penalties prescribed in the Criminal Code of 1961 and shall be
14 ineligible to receive or retain any compensation, disability,
15 or medical benefits as defined in this Act, the Workers'
16 Compensation Act, the Workers' Occupational Diseases Act, the
17 Line of Duty Compensation Act, and the Public Safety Employee
18 Benefits Act if the compensation, disability, or medical
19 benefits were owed or received as a result of fraud for which
20 the recipient of the compensation, disability, or medical
21 benefit was convicted. This subsection (b) applies to acts
22 occurring on or after the effective date of this amendatory Act
23 of the 95th General Assembly. Any person convicted of fraud who
24 knowingly obtains, attempts to obtain, or causes to be obtained
25 any benefits under this Code by the making of a false claim or
26 who knowingly misrepresents any material fact shall be civilly

1 liable to the payor of benefits or assignee in an amount equal
2 to 3 times the value of the benefits wrongfully obtained or
3 twice the value of the benefits attempted to be obtained, plus
4 reasonable attorney's fees and expenses incurred by the payor
5 or assignee who successfully brings a claim under this
6 subsection (b). This subsection (b) applies to acts occurring
7 on or after the effective date of this amendatory Act of the
8 95th General Assembly.

9 (Source: P.A. 83-1440.)

10 (40 ILCS 5/3-136) (from Ch. 108 1/2, par. 3-136)

11 Sec. 3-136. Witnesses. ~~To subpoena witnesses.~~

12 (a) To compel witnesses to attend and testify before it
13 upon all matters connected with the administration of this
14 Article, in the manner provided by law for the taking of
15 testimony in the circuit courts of this State. The president,
16 or any board member, may administer oaths to witnesses.

17 (b) If not otherwise a party to a hearing involving an
18 officer or member of the police department, the employer
19 municipality shall be permitted to appear as a matter of right.

20 (Source: P.A. 83-1440.)

21 (40 ILCS 5/3-141.1 new)

22 Sec. 3-141.1. Award of benefits. Unless the municipal
23 treasurer is already responsible for calculating the amount of
24 benefit payments expended from the Fund, no benefit shall be

1 awarded until the municipality, in a timely manner, reviews and
2 verifies all benefit calculations. The verification process
3 shall not exceed a period of 60 days.

4 (40 ILCS 5/3-143.1 new)

5 Sec. 3-143.1. Public notice; publication. At the end of
6 each fiscal year, the Board shall, at its own expense, publish
7 within a local newspaper of general circulation in the
8 municipality a notice that includes the fiscal status of the
9 pension fund, all amounts dispersed in benefits during the
10 fiscal year, and the total number of recipients who received or
11 are in receipt of the benefits. The information provided shall
12 at a minimum include (1) the assets of the fund along with
13 their current market value; (2) the amount of unfunded
14 liability carried by the fund, along with an actuarial
15 explanation of unfunded liability; (3) the actual investment
16 return experienced by the fund during the fiscal year; and (4)
17 the required tax levy actuarially recommended to meet the
18 financial obligations of the fund.

19 (40 ILCS 5/4-112) (from Ch. 108 1/2, par. 4-112)

20 Sec. 4-112. Determination of disability; restoration to
21 active service; disability cannot constitute cause for
22 discharge.

23 (a) A disability pension shall not be paid until disability
24 has been established by the board by examinations of the

1 firefighter at pension fund expense by 3 physicians selected by
2 the board and such other evidence as the board deems necessary.
3 The 3 physicians selected by the board need not agree as to the
4 existence of any disability or the nature and extent of a
5 disability. Medical examination of a firefighter receiving a
6 disability pension shall be made at least once each year prior
7 to attainment of age 50 in order to verify continuance of
8 disability. No examination shall be required after age 50. No
9 physical or mental disability that constitutes, in whole or in
10 part, the basis of an application for benefits under this
11 Article may be used, in whole or in part, by any municipality
12 or fire protection district employing firefighters, emergency
13 medical technicians, or paramedics as cause for discharge.

14 Upon satisfactory proof to the board that a firefighter on
15 the disability pension has recovered from disability, the board
16 shall terminate the disability pension. The firefighter shall
17 report to the marshal or chief of the fire department, who
18 shall thereupon order immediate reinstatement into active
19 service, and the municipality shall immediately return the
20 firefighter to its payroll, in the same rank or grade held at
21 the date he or she was placed on disability pension. If the
22 firefighter must file a civil action against the municipality
23 to enforce his or her mandated return to payroll under this
24 paragraph, then the firefighter is entitled to recovery of
25 reasonable court costs and attorney's fees.

26 (b) The firefighter shall be entitled to 10 days notice

1 before any hearing or meeting of the board at which the
2 question of his or her disability is to be considered, and
3 shall have the right to be present at any such hearing or
4 meeting, and to be represented by counsel; however, the board
5 shall not have any obligation to provide such fireman with
6 counsel.

7 (c) It is unlawful for any firefighter to do any of the
8 following:

9 (1) Intentionally present or cause to be presented any
10 false or fraudulent claim for disability pension.

11 (2) Intentionally make or cause to be made any false or
12 fraudulent material statement or material representation
13 for the purpose of obtaining a disability pension.

14 (3) Intentionally make or cause to be made any false or
15 fraudulent material statement in the course of an
16 investigation of fraud.

17 (4) Intentionally assist, abet, solicit, or conspire
18 with any person or other entity to commit any of the acts
19 set forth in this Section.

20 For the purposes of paragraphs (2), (3), and (4) of this
21 subsection (c), the term "statement" includes any writing,
22 notice, proof of injury, bill for services, hospital or doctor
23 records and reports, X-ray, or test results.

24 Any firefighter violating this subsection (c) is guilty of
25 a Class 4 felony. Any firefighter convicted of any violation of
26 this Section shall be ordered to pay complete restitution to

1 any entity so defrauded in addition to any fine or sentence
2 imposed as a result of the conviction.

3 Any person convicted of fraud related to a disability
4 pension pursuant to this subsection (c) shall be subject to the
5 penalties prescribed in the Criminal Code of 1961 and shall be
6 ineligible to receive or retain any compensation, disability,
7 or medical benefits as defined in this Act, the Workers'
8 Compensation Act, the Workers' Occupational Diseases Act, the
9 Line of Duty Compensation Act, and the Public Safety Employee
10 Benefits Act if the compensation, disability, or medical
11 benefits were owed or received as a result of fraud for which
12 the recipient of the compensation, disability, or medical
13 benefit was convicted. This subsection (c) applies to acts
14 occurring on or after the effective date of this amendatory Act
15 of the 95th General Assembly. Any person convicted of fraud who
16 knowingly obtains, attempts to obtain, or causes to be obtained
17 any benefits under this Code by the making of a false claim or
18 who knowingly misrepresents any material fact shall be civilly
19 liable to the payor of benefits or assignee in an amount equal
20 to 3 times the value of the benefits wrongfully obtained or
21 twice the value of the benefits attempted to be obtained, plus
22 reasonable attorney's fees and expenses incurred by the payor
23 or assignee who successfully brings a claim under this
24 subsection (c). This subsection (c) applies to acts occurring
25 on or after the effective date of this amendatory Act of the
26 95th General Assembly.

1 (Source: P.A. 95-681, eff. 10-11-07.)

2 (40 ILCS 5/4-123.1) (from Ch. 108 1/2, par. 4-123.1)

3 Sec. 4-123.1. Witnesses. ~~To subpoena witnesses.~~

4 (a) To compel witnesses to attend and testify before it
5 upon all matters connected with the administration of this
6 Article, in the manner provided by law for the taking of
7 testimony before the circuit court. The president, or any
8 member of the Board, may administer oaths to such witnesses.

9 (b) If not otherwise a party to a hearing involving an
10 officer or member of the fire department, the employer
11 municipality shall be permitted to appear as a matter of right.

12 (Source: P.A. 84-1039.)

13 (40 ILCS 5/4-130.1 new)

14 Sec. 4-130.1. Award of benefits. Unless the municipal
15 treasurer is already responsible for calculating the amount of
16 benefit payments expended from the Fund, no benefit shall be
17 awarded until the municipality, in a timely manner, reviews and
18 verifies all benefit calculations. The verification process
19 shall not exceed a period of 60 days.

20 (40 ILCS 5/4-134.1 new)

21 Sec. 4-134.1. Public notice; publication. At the end of
22 each fiscal year, the Board shall, at its own expense, publish
23 within a local newspaper of general circulation in the

1 municipality a notice that includes the fiscal status of the
2 pension fund, all amounts dispersed in benefits during the
3 fiscal year, and the total number of recipients who received or
4 are in receipt of the benefits. The information provided shall
5 at a minimum include (1) the assets of the fund along with
6 their current market value; (2) the amount of unfunded
7 liability carried by the fund, along with an actuarial
8 explanation of unfunded liability; (3) the actual investment
9 return experienced by the fund during the fiscal year; and (4)
10 the required tax levy actuarially recommended to meet the
11 financial obligations of the fund.

12 (40 ILCS 5/22-1004 new)

13 Sec. 22-1004. Report on Article 3 and 4 funds. Each odd
14 numbered year, the Commission on Government Forecasting and
15 Accountability shall analyze data submitted by the Public
16 Pension Division of the Illinois Department of Financial and
17 Professional Regulation pertaining to the pension systems
18 established under Article 3 and Article 4 of this Code. The
19 Commission shall issue a formal report during such years, the
20 content of which is, to the extent practicable, to be similar
21 in nature to that required under Section 22-1003. In addition
22 to providing aggregate analyses of both systems, the report
23 shall analyze the fiscal status and provide forecasting
24 projections for fifteen funds in each system. For purposes of
25 the analysis, a statewide association representing

1 municipalities shall submit a list of municipal funds to the
2 Commission.

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.32 as follows:

5 (30 ILCS 805/8.32 new)

6 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
7 of this Act, no reimbursement by the State is required for the
8 implementation of any mandate created by this amendatory Act of
9 the 95th General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.

1 INDEX
2 Statutes amended in order of appearance

3	25 ILCS 55/3	from Ch. 63, par. 42.43
4	40 ILCS 5/1-110	from Ch. 108 1/2, par. 1-110
5	40 ILCS 5/1-113.5	
6	40 ILCS 5/1-125 new	
7	40 ILCS 5/1A-104	
8	40 ILCS 5/1A-112	
9	40 ILCS 5/3-115	from Ch. 108 1/2, par. 3-115
10	40 ILCS 5/3-136	from Ch. 108 1/2, par. 3-136
11	40 ILCS 5/3-141.1 new	
12	40 ILCS 5/3-143.1 new	
13	40 ILCS 5/4-112	from Ch. 108 1/2, par. 4-112
14	40 ILCS 5/4-123.1	from Ch. 108 1/2, par. 4-123.1
15	40 ILCS 5/4-130.1 new	
16	40 ILCS 5/4-134.1 new	
17	40 ILCS 5/22-1004 new	
18	30 ILCS 805/8.32 new	